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VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Executive Director
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, SC 29210

Re: **Annual Review of Base Rates for Decrease in Residential and Lighting Customer Fuel Costs and for Increase in General Service Non-Demand and General Service Demand Customer Fuel Costs of Duke Energy Progress, LLC**
Docket Number: 2021-1-E

Dear Ms. Boyd:

On June 30, 2021, the Public Service Commission of South Carolina (the "Commission") issued Order No. 2021-446, which directed that "[u]pon the issuance of the Commission's final order in the generic docket regarding NEM (Docket No. 2019-182-E), DEP shall recalculate the DER incentive and other components which may change as a result of that order. DEP shall file its recalculations with the Commission within thirty (30) days of the issuance of the final order and shall provide its recalculations to the parties in this docket." On August 19, 2021, the Commission issued Order No. 2021-569 in Docket No. 2019-182-E.

Pursuant to the Commission's instructions, Duke Energy Progress, LLC has attached its recalculations of the DER incentives and other components that changed as a result of Commission Order No. 2021-569.

By copy of this letter, I am serving all parties of record via electronic mail.

Sincerely,

Katie M. Brown

Enclosure

cc: Parties of record

Duke Energy Progress, LLC Value of Net Energy Metering (“NEM”) Distributed Energy Resource, by Component

Components of NEM Distributed Energy Resource Value	Component Value (\$/kWh) Residential PV¹	Component Value (\$/kWh) SGS PV¹	Component Value (\$/kWh) Large PV¹
Marginal Energy Cost	\$0.024785	\$0.024795	\$0.024801
Marginal Capacity Cost	\$0.001950	\$0.001918	\$0.001947
Ancillary Services	(\$0.001138)	(\$0.000929)	\$0.000000
Transmission and Distribution ("T&D") Capacity	\$0.000000	\$0.000000	\$0.000000
Avoided Criteria Pollutants ²	\$0.000027	\$0.000028	\$0.000030
Avoided CO2 Emission Cost (currently zero)	\$0.000000	\$0.000000	\$0.000000
Fuel Hedge ³	\$0.000000	\$0.000000	\$0.000000
Utility Integration & Interconnection Costs	\$0.000000	\$0.000000	\$0.000000
Utility Administration Costs	\$0.000000	\$0.000000	\$0.000000
Environmental Costs	\$0.000000	\$0.000000	\$0.000000
Subtotal	\$0.025625	\$0.025811	\$0.026778
Line Losses ⁴	\$0.000274	\$0.000275	\$0.000274
Total Value NEM Distributed Energy Resource	\$0.025899	\$0.026086	\$0.027052

¹ “Residential PV” refers to a load shape reflecting generation installed by a residential customer. “SGS PV” refers to a load shape reflecting generation installed by a small commercial/industrial customer served under Small General Service Schedule SGS. “Large PV” refers to a load shape reflecting generation installed by a customer with higher consumption requirements and applies to all other nonresidential schedules. For the first time, the Company has separated the values for residential customers (“Residential PV”) and small commercial/industrial customers (“SGS PV”) as a result of available actual metered solar load profile data for the residential class. The Company continues to utilize third-party solar load profile data for non-residential customers.

² Avoided Criteria Pollutants reflects NOx and SOx that have been separately identified from approved marginal energy costs.

³ Pursuant to the Settlement Agreement reached in DEP’s 2016 annual fuel proceeding (Docket No. 2016-1-E), the Company has calculated the hedge value and determined that no fuel hedge exists; therefore, the value is zero.

⁴ Line loss factors are 1.281% for on-peak marginal energy, 1.268% for off-peak marginal energy and 1.874% for marginal capacity per DEP’s updated 2018 line loss analysis based upon 2018 cost of service.